THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Interviews were held on 12th, 13th, 16th and 17th June, 1997 by the Directorate General of Inspection to fill up 13 vacant posts of Peons (Group-D) including 2 posts for SC, 1 post for ST, 4 posts for OBC and 6 posts for others in the Directorate General for which candidates were sponsored by the Central Employment Exchange and Directorate of Re-settlement etc., together with 24 candidates having temporary status from NACEN and one each from Directorate of O.&M.S. and office of CDR.

(b) The Central Administrative Tribunal has however directed the Directorate General of Inspection not to declare the results of the interviews and not to make any appointments on the basis of the interviews on a petition filed by one Sh. Vasudev and Others (Temporary Group-D employee of NACEN). In view of the directions given by the CAT, the selection formalities cannot be completed till the vacation of the orders of the CAT.

(c) The Directorate General is taking all steps to get the orders vacated from the CAT.

Banks/NBFCS involved in frauds

2278. PROF. RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) the details of banks in Government Sector, Co-operative Sector, other scheduled banks and non-banking Financial Institutions involved in frauds during the last three years ending with 31st May, 1997;

(b) amounts involved in each Bank/NBFCs;

(c) steps taken by Government in respect of each Bank and non-banking financial institution for recovery of money involved and for making payment of deposits to the depositors;

(d) action taken against the persons responsible for the frauds; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) Information readily available relating to bank-wise position of number of frauds edtected in public sector banks and amount involved during the years 1994, 1995 and 1996 is given at Annexure. [*See* Appendix 681 Annexure No. 59] Information readily available relating to number of frauds detected in private sector banks and amount involved therein during the years 1994, 1995 and 1995 (upto March) is given below:

(Amount in Rs. kahs

Year	Number of Frauds	Amount involved
1994	215. .	454
1995	182. .	1451
1996 (upto March	64 . .	241

Action taken by public sector banks against delinquent employees for their involvement in frauds during 1994, 1995 and 1996 is as under:

	1994	1995	1996
1. No. of employees convicted	50	33	46
2. No. of employees awarded major/minor penalty	1248	1160	1207
3. No. of employees dismissed/discharged/removed	360	301	331

The amounts involved in the cases of frauds do not necessarily represent the actual losses which the banks may have to ultimately suffer. The banks generally have some securities to cover advances made by them. Banks also file civil and criminal suits and seek appropriate reliefs. Frauds in public sector banks do not adversely affect the interest of the depositors.

As regards Non-Banking Finance Companies (NBFCs), these are normally private companies and data relating to fraud perpetrated against them by employees/outsiders is not maintained. However, there have been some instances where such companis have failed to repay deposits resulting in allegations of fraud against the management of such companies. In such cases, on receipt of appropriate complaint, investigations are taken up by the concerned agencies.

Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India ct, for regulating NBFCs which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity and solvency of NBFCs and are expected to go a long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue. Operationally, RBI has initiated steps to strengthen the supervisory apparatus involving both off site and on site surveillance of NBFCs and a greater emphasis on ascertaining asset quality.

Central Board for Bank frauds

2279. PROF. RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have set up a Central Board for Bank Frauds to deal with requests from Central Bureau of Investigations and other agencies in regard to complaints against bank officials;

(b) if so, the composition of the Board;

(c) whether the Board is conferred with mandatory powers; and

(d) if not, what is the role of the Board?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Reserve Bank of India (RBI) has set up in